

Tax Credit Accountability Report



June 2009

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Introduction

In 2004, the legislature passed the "Tax Credit Accountability Act". The statute, RSMo 620.017.4., requires that the Department of Economic Development prepare an annual report regarding all economic incentives administered in the previous calendar year and submit the report to the Governor, President Pro Tem of the Senate, and the Speaker of the House of Representatives.

The annual report must include the following information:

- The distribution of economic incentives by type and public purpose. In the statute, RSMo 135.800, all tax credits are grouped into a category, or type, based on their public purpose. This section of the report reflects the distribution of incentives by those categories, which are as follows:
 - Agricultural
 - Environmental
 - Entrepreneurial
 - Domestic and Social
 - Housing
 - Redevelopment
 - Training and Education
 - Business Recruitment
 - Community Development
- The total amount of economic incentives awarded by industry. All incentives issued to organizations or businesses are broken down by North American Industry Classification System (NAICS) Codes.
- The distribution of economic incentives by the size of all business recipients. All incentives issued to businesses only are broken down by business size categories of less than 100 employees, 100-500 employees, and greater than 500 employees.
- A reporting of any legal action taken by the department or the state with any parties which have failed to comply with a contract or agreement pursuant to this section.

All economic incentives are reported by the amount that has been issued to the taxpayer in the calendar year. Issuance of a tax credit indicates that the Department of Economic Development has determined it meets eligibility criteria and has proof that the organization or company has met the program requirements. Tax credits are issued using a certificate which may be attached to a state tax filing for redemption through the Department of Revenue.

The information is collected through the application and review process. RSMo 135.802 requires that all applications include:

- Name, address, contact and phone number for the applicant.
- Taxpayer type
- Standard industry code (The NAICS system has replaced the Standard Industry Code system for identifying industries at the federal level.)
- Program name and type of any other tax credits (state or federal) that are being utilized for the same activity or project.

DED Incentives Reported by Category

January 1, 2008 to December 31, 2008

Category Type and Program	Total Amount Issued in CY 2008	
Agricultural		
Wine and Grape	\$	159,341
Missouri Rural Economic Stimulus Act	\$	-
Total Agricultural	\$	159,341
Environmental		
Charcoal Producers	\$	-
Total Environmental	\$	-
Entrepreneurial		
Loan Guarantee Fee	\$	-
Certified Capital Companies	\$	-
Business Incubator	\$	300,568
Urban Enterprise Loan	\$	300,000
Seed Capital	\$	-
Capital SBIC	\$	-
New Enterprise Creation	\$	-
Research	\$	-
Total Entrepreneurial	\$	600,568
Domestic and Social		
Youth Opportunities Program	\$	5,861,956
Total Domestic and Social	\$	5,861,956
Housing *		
Neighborhood Preservation	\$	4,558,434
Total Housing	\$	4,558,434
Redevelopment		
Brownfield Remediation	\$	16,864,776
Brownfield Jobs and Investment	\$	1,967,375
Brownfield Demolition	\$	-
Historic Preservation	\$	173,822,671
Community Development Corporation Grant	\$	-
Community Bank	\$	2,958
State Tax Increment Financing	\$	7,279,707
MODESA	\$	-
Downtown Preservation	\$	-
Total Redevelopment	\$	199,937,486
Training and Education		
New Jobs Training Program	\$	4,661,000
Retained Jobs Training Program	\$	11,400,018
Customized Training Program	\$	10,295,328
Total Training and Education	\$	26,356,346

DED Incentives Reported by Category Continued

January 1, 2008 to December 31, 2008

Business Recruitment

Business Facility	\$	6,004,270
Enhanced Enterprise Zone	\$	1,576,881
Enterprise Zone	\$	12,992,484
Development Tax Credit	\$	1,704,742
Rebuilding Communities	\$	2,524,897
Film Production	\$	1,003,947
Missouri Quality Jobs	\$	8,879,608
Total Business Recruitment	\$	34,686,829

Community Development

Transportation Development	\$	-
Neighborhood Assistance	\$	13,321,298
Family Development Account	\$	1,000
Dry Fire Hydrant	\$	10,850
Total Community Development	\$	13,333,148

TOTAL--ALL DED STATE INCENTIVES	\$	285,494,107
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* By statute, this report does not include Low-Income Housing Tax Credits.

DED Incentives Reported by Industry*

January 1, 2008 to December 31, 2008

NAICS	Description		Amount
11	Agriculture, forestry, fishing and hunting	\$	46,806
21	Mining	\$	-
22	Utilities	\$	-
23	Construction	\$	48,858,205
31-33	Manufacturing	\$	13,035,360
42	Wholesale Trade	\$	889,729
44-45	Retail Trade	\$	682,353
48-49	Transportation	\$	3,418,842
51	Information	\$	5,016,883
52	Finance and Insurance	\$	9,573,080
53	Real Estate and rental and leasing	\$	117,828,578
54	Professional and technical services	\$	10,791,829
55	Management of companies and enterprises	\$	7,465,838
56	Administrative and waste services	\$	277,527
61	Educational services	\$	1,191,927
62	Health care and social assistance	\$	11,130,278
71	Arts, entertainment, and recreation	\$	2,158,456
72	Accommodation and food services	\$	1,730,030
81	Other services, except public administration	\$	3,248,100
92	Public Administration	\$	7,360,532.71
	Unclassified	\$	6,829,771
GRAND TOTAL		\$	251,534,124 **

* Industries are represented by standard North American Industry Classification System (NAICS) codes.

** Note: Benefits issued to individuals, community colleges or units of government are not considered in this report.

DED Incentives Reported by Business Size

January 1, 2008 to December 31, 2008

Business Size	Less than 100	100-500	>500
Applicable Programs Reporting:			
Wine and Grape (business only)	\$ 159,341	\$ -	\$ -
Charcoal Producers	\$ -	\$ -	\$ -
Loan Guarantee Fee	\$ -	\$ -	\$ -
Certified Capital Companies	\$ -	\$ -	\$ -
Business Incubator	\$ 300,568	\$ -	\$ -
Urban Enterprise Loan	\$ 300,000	\$ -	\$ -
Seed Capital	\$ -	\$ -	\$ -
Capital SBIC	\$ -	\$ -	\$ -
New Enterprise Creation	\$ -	\$ -	\$ -
Research	\$ -	\$ -	\$ -
Youth Opportunities Program	\$ 3,925,137	\$ 1,825,458	\$ 111,361
Neighborhood Preservation (developers only)	\$ 4,357,326	\$ 201,107	\$ -
Brownfield Remediation	\$ 3,933,592	\$ 5,570,651	\$ -
Brownfield Jobs and Investment	\$ 285,221	\$ 216,522	\$ 1,465,632
Brownfield Demolition	\$ -	\$ -	\$ -
Historic Preservation (developers only)	\$167,351,825	\$ -	\$ 2,193,346
Community Bank	\$ 2,958	\$ -	\$ -
Business Facility	\$ 258,743	\$ 278,578	\$ 5,466,949
Enhanced Enterprise Zone	\$ 732,803	\$ 763,064	\$ 81,014
Enterprise Zone	\$ 897,726	\$ 486,776	\$ 11,607,982
Development Tax Credit	\$ 46,965	\$ 500,000	\$ 1,157,776
Rebuilding Communities	\$ 2,211,816	\$ -	\$ -
Film Production	\$ 1,003,947	\$ -	\$ -
Missouri Quality Jobs	\$ 1,319,499	\$ 3,091,360	\$ 4,468,748
Transportation Development	\$ -	\$ -	\$ -
Neighborhood Assistance	\$ 9,570,216	\$ 2,966,669	\$ 784,413
Family Development Account	\$ 1,000	\$ -	\$ -
TOTALS	\$196,658,682	\$ 15,900,186	\$ 27,337,221

Note: Benefits issued to individuals, community colleges or units of government are not considered in this report.

2008 Legal Actions

Actions are based on entities failure to comply with an incentive contract or agreement.

1. The Department did not initiate any legal actions in 2008 based on an entities' failure to comply with an incentive contract or agreement.